Line 8 Earned Income Credit (EIC)

What Is the EIC?

The EIC is a credit for certain people who work. The credit may give you a refund even if you do not owe any tax.



If you have a qualifying child (see the next column on this page), you may be able to take the credit, but you must use Schedule EIC and Form 1040A or 1040 to do so. For details, see Pub. 596.

To Take the EIC:

- Follow the steps below.
- Complete the worksheet on page 17 **or** let the IRS figure the credit for you.



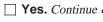
If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you

are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. You may also have to pay penalties.

Step 1

All Filers

1. Is the amount on Form 1040EZ, line 4, less than \$11,230 (\$12,230 if married filing jointly)?





You cannot take the credit.

2. Do you, and your spouse if filing a joint return, have a social security number that allows you to work or is valid for EIC purposes (see page 16)?

Yes. Continue



You cannot take the credit. Enter "No" in the space to the left of line 8.

3. Can you, or your spouse if filing a joint return, be claimed as a dependent on someone else's 2003 tax return?

Yes. (STOP)

☐ No. Continue ■

You cannot take the credit.

Were you, or your spouse if filing a joint return, at least age 25 but under age 65 at the end of 2003?

☐ **Yes.** Go to question 5.



You cannot take the credit.

5. Was your home, and your spouse's if filing a joint return, in the United States for more than half of 2003? Members of the military stationed outside the United States, see page 16 before you answer.

☐ Yes. Continue ■



☐ No. STOP

You cannot take the credit. Enter "No" in the space to the left of line 8.

6. Look at the qualifying child conditions below. Could you, or your spouse if filing a joint return, be a qualifying child of another person in 2003?

☐ Yes. STOP

You cannot take the credit. Enter "No" in the space to the left of line 8

□ **No.** Go to Step 2 on page 16.

A qualifying child is a child who is your...

Son, daughter, adopted child, stepchild, or a descendant of any of them (for example, your grandchild)

or

Brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew) whom you cared for as you would your own child

or

Foster child (any child placed with you by an authorized placement agency whom you cared for as you would your own child)



was at the end of 2003... Under age 19

0.11

Under age 24 and a student

 \mathbf{or}

Any age and permanently and totally disabled



who...

Either lived with you in the United States for more than half of 2003 **or** was born or died in 2003 and your home was the child's home for the entire time he or she was alive in 2003.

Note. Special rules apply if the child was married or also meets the conditions to be a qualifying child of another person (other than your spouse if filing a joint return). For details, use TeleTax topic 601 (see page 6) or see Pub. 596.

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Step 2 Earned Income
1. Figure earned income:
Form 1040EZ, line 1
Subtract, if included in line 1, any:
• Taxable scholarship or fellowship grant not reported on a Form W-2.
• Amount paid to an inmate in a penal institution for work (enter "PRI" in the space to the left of line 1 on Form 1040EZ).
Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (enter "DFC" and the amount subtracted in the space to the left of line 1 on Form 1040EZ). This amount may be shown in box 11 of your Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity.
Earned Income =
2. Is your earned income less than \$11,230 (\$12,230 if married filing jointly)?
☐ Yes. Go to Step 3. ☐ No. STOP
You cannot take the credit.
Step 3 How To Figure the Credit
1. Do you want the IRS to figure the credit for you?
☐ Yes. See Credit ☐ No. Go to the worksheet on page 17.

Definitions and Special Rules

(listed in alphabetical order)

Credit Figured by the IRS. To have the IRS figure the credit for you:

- 1. Enter "EIC" in the space to the left of line 8 on Form 1040EZ.
- 2. If your EIC for a year after 1996 was reduced or disallowed, see Form 8862, Who Must File, below.

Form 8862, Who Must File. You must file Form 8862 if your EIC for a year after 1996 was reduced or disallowed for any reason other than a math or clerical error. But do not file Form 8862 if either of the following applies.

- After your EIC was reduced or disallowed in an earlier year
 (a) you filed Form 8862 (or other documents) and your EIC was then allowed and (b) your EIC has not been reduced or disallowed again for any reason other than a math or clerical error.
- The only reason your EIC was reduced or disallowed in the earlier year was because it was determined that a child listed on Schedule EIC was not your qualifying child.

Also, do not file Form 8862 or take the credit for 2 years if it was determined that your error was due to reckless or intentional disregard of the EIC rules (10 years if due to fraud).

Members of the Military. If you were on extended active duty outside the United States, your home is considered to be in the United States during that duty period. Extended active duty is military duty ordered for an indefinite period or for a period of more than 90 days. Once you begin serving extended active duty, you are considered to be on extended active duty even if you serve fewer than 90 days.

Social Security Number (SSN). For purposes of taking the EIC, a valid SSN is a number issued by the Social Security Administration unless "Not Valid for Employment" is printed on the social security card and the number was issued solely to apply for or receive a Federally funded benefit.

To find out how to get an SSN, see page 12. If you will not have an SSN by April 15, 2004, see What if You Cannot File on Time? on page 9.

Welfare Benefits, Effect of Credit on. Any refund you receive as a result of taking the EIC will not be used to determine if you are eligible for the following programs or how much you can receive from them. But if the refund you receive because of the EIC is not spent within a certain period of time, it may count as an asset (or resource) and affect your eligibility.

- Temporary Assistance for Needy Families (TANF).
- Medicaid and supplemental security income (SSI).
- Food stamps and low-income housing.

(Continued on page 17)

this page.

Earned Income Credit (EIC) Worksheet—Line 8

Keep for Your Records



Part 1

All Filers

1. Enter your earned income from Step 2 on page 16.

1

Look up the amount on line 1 above in the EIC Table on page 18 to find the credit. Be sure you use the correct column for your filing status. Enter the credit here.

2

If line 2 is zero, You cannot take the credit. Enter "No" in the space to the left of line 8.

3. Enter the amount from Form 1040EZ, line 4.

3

- **4.** Are the amounts on lines 3 and 1 the same?
 - \square **Yes.** Skip line 5; enter the amount from line 2 on line 6.
 - \square **No.** *Go to line 5.*

Part 2

Filers Who Answered "No" on Line 4

5. Is the amount on line 3 less than \$6,250 (\$7,250 if married filing jointly)?

- ☐ **Yes.** Leave line 5 blank; enter the amount from line 2 on line 6.
- □ **No.** Look up the amount on line 3 in the EIC Table on page 18 to find the credit. Be sure you use the correct column for your filing status. Enter the credit here.

Look at the amounts on lines 5 and 2. Then, enter the **smaller** amount on line 6.



Part 3

Your Earned Income Credit

6. This is your earned income credit.

6

Enter this amount on Form 1040EZ, line 8.



If your EIC for a year after 1996 was reduced or disallowed, see page 16 to find out if you must file Form 8862 to take the credit for 2003.

2003 Earned Income Credit (EIC) Table



This is **not** a tax table.

- 1. To find your credit, read down the "At least—But less than" columns and find the line that includes the amount you were told to look up from the EIC Worksheet on page 17.
- ${\bf 2.}$ Then, read across to the column for your filing status. Enter the credit from that column on your EIC Worksheet.

If the amount you are looking up from the worksheet is—		And your filing status is—		If the amount you are looking up from the worksheet is—		And your filing status is—		If the amount you are looking up from the worksheet is—		And your filing status is—		If the amount you are looking up from the worksheet is—		And your filing status is—		If the amount you are looking up from the worksheet is—		And your filing status is—	
At least	But less than		Married filing jointly redit is—	At least	But less than		Married filing jointly redit is—	At least	But less than		Married filing jointly redit is—	At least	But less than		Married filing jointly redit is—	At least	But less than		Married filing jointly redit is—
\$1 50 100 150	\$50 100 150 200	\$2 6 10 13	\$2 6 10 13	2,650 2,700	2,650 2,700 2,750 2,800	201 205 208 212	201 205 208 212	5,250 5,300	5,250 5,300 5,350 5,400	382 382 382 382	382 382 382 382	7,800 7,850 7,900 7,950	7,90 7,95	0 260 0 257 0 253 0 249	337 333 329 326	10,400 10,450 10,500 10,550	10,500 10,550	58 54	138 134 130 127
200 250 300 350	250 300 350 400	17 21 25 29	17 21 25 29	2,850 2,900	2,850 2,900 2,950 3,000	216 220 224 228	216 220 224 228	5,450 5,500	5,450 5,500 5,550 5,600	382 382 382 382	382 382 382 382	8,000 8,050 8,100 8,150	8,10 8,15	0 245 0 241 0 238 0 234	322 318 314 310	10,600 10,650 10,700 10,750	10,700 10,750	42 39	123 119 115 111
400 450 500 550	450 500 550 600	33 36 40 44	33 36 40 44	3,050 3,100	3,050 3,100 3,150 3,200	231 235 239 243	231 235 239 243	5,650 5,700	5,650 5,700 5,750 5,800	382 382 382 382	382 382 382 382	8,200 8,250 8,300 8,350	8,30 8,35	0 230 0 226 0 222 0 218	306 303 299 295	10,800 10,850 10,900 10,950	10,900 10,950	27 23	107 104 100 96
600 650 700 750	650 700 750 800	48 52 55 59	48 52 55 59	3,250 3,300	3,250 3,300 3,350 3,400	247 251 254 258	247 251 254 258	5,850 5,900	5,850 5,900 5,950 6,000	382 382 382 382	382 382 382 382	8,400 8,450 8,500 8,550	8,50 8,55	0 215 0 211 0 207 0 203	291 287 283 280	11,000 11,050 11,100 11,150	11,100 11,150	12	92 88 85 81
800 850 900 950	850 900 950 1,000	63 67 71 75	63 67 71 75	3,450 3,500	3,450 3,500 3,550 3,600	262 266 270 273	262 266 270 273	6,050 6,100	6,050 6,100 6,150 6,200	382 382 382 382	382 382 382 382	8,600 8,650 8,700 8,750	8,70 8,75	0 199 0 195 0 192 0 188	276 272 268 264	11,200 11,250 11,300 11,350	11,300 11,350	0 0	77 73 69 65
1,000 1,050 1,100 1,150	1,100 1,150	78 82 86 90	78 82 86 90	3,700	3,650 3,700 3,750 3,800	277 281 285 289	277 281 285 289	6,250 6,300	6,250 6,300 6,350 6,400	382 379 375 371	382 382 382 382	8,800 8,850 8,900 8,950	8,90 8,95	0 184 0 180 0 176 0 173	260 257 253 249	11,400 11,450 11,500 11,550	11,500 11,550	0 0	62 58 54 50
1,200 1,250 1,300 1,350	1,300 1,350	94 98 101 105	94 98 101 105	3,850 3,900	3,850 3,900 3,950 4,000	293 296 300 304	293 296 300 304	6,450 6,500	6,450 6,500 6,550 6,600	368 364 360 356	382 382 382 382	9,000 9,050 9,100 9,150	9,10	0 169 0 165 0 161 0 157	245 241 238 234	11,600 11,650 11,700 11,750	11,700 11,750	0 0	46 42 39 35
1,400 1,450 1,500 1,550	1,500 1,550	109 113 117 120	109 113 117 120	4,050 4,100	4,050 4,100 4,150 4,200	308 312 316 319	308 312 316 319	6,650 6,700	6,650 6,700 6,750 6,800	352 348 345 341	382 382 382 382	9,200 9,250 9,300 9,350	9,30 9,35	0 153 0 150 0 146 0 142	230 226 222 218	11,800 11,850 11,900 11,950	11,900 11,950	0 0	31 27 23 20
1,600 1,650 1,700 1,750	1,700 1,750	124 128 132 136	124 128 132 136	4,250 4,300	4,250 4,300 4,350 4,400	323 327 331 335	323 327 331 335	6,850 6,900	6,850 6,900 6,950 7,000	337 333 329 326	382 382 382 382	9,400 9,450 9,500 9,550	9,50 9,55	0 138 0 134 0 130 0 127	215 211 207 203	12,000 12,050 12,100 12,150	12,100 12,150	0 0	16 12 8 4
1,800 1,850 1,900 <u>1,950</u>	1,900 1,950	140 143 147 151	140 143 147 151	4,450	4,450 4,500 4,550 4,600	339 342 346 350	339 342 346 350	7,050 7,100	7,050 7,100 7,150 7,200	322 318 314 310	382 382 382 382	9,600 9,650 9,700 9,750	9,70 9,75	0 123 0 119 0 115 0 111	199 195 192 188	12,200 12,230	,	_	1 0
2,000 2,050 2,100 2,150	2,100 2,150	155 159 163 166	155 159 163 166	4,600 4,650 4,700 4,750	4,700 4,750	354 358 361 365	354 358 361 365	7,250 7,300	7,250 7,300 7,350 7,400	306 303 299 295	382 379 375 371	9,800 9,850 9,900 9,950	9,90	0 107 0 104 0 100 0 96	184 180 176 173				
2,200 2,250 2,300 2,350	2,300 2,350	170 174 178 182	170 174 178 182	4,850 4,900	4,850 4,900 4,950 5,000	369 373 377 382	369 373 377 382	7,450 7,500	7,450 7,500 7,550 7,600	291 287 283 280	368 364 360 356	10,000 10,050 10,100 10,150	10,10 10,15	0 88 0 85	169 165 161 157				
2,400 2,450 2,500 2,550	2,500 2,550	186 189 193 197	186 189 193 197	5,050	5,050 5,100 5,150 5,200	382 382 382 382	382 382 382 382	7,650 7,700	7,650 7,700 7,750 7,800	276 272 268 264	352 348 345 341	10,200 10,250 10,300 10,350	10,30 10,35	7369	153 150 146 142				

^{*}If the amount you are looking up from the worksheet is at least \$11,200 but less than \$11,230, your credit is \$1. Otherwise, you cannot take the credit.